

SENATE BILL REPORT

SB 5806

As Reported By Senate Committee On:
Higher Education, February 19, 2007
Ways & Means, March 5, 2007

Title: An act relating to higher education costs.

Brief Description: Implementing Washington learns higher education recommendations.

Sponsors: Senators Schoesler, Shin, Berkey, Delvin, Murray and Kohl-Welles.

Brief History:

Committee Activity: Higher Education: 2/15/07, 2/19/07 [DPS-WM].
Ways & Means: 3/02/07, 3/05/07 [DP2S, DNP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 5806 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Shin, Chair; Kilmer, Vice Chair; Delvin, Ranking Minority Member; Berkey, Schoesler and Sheldon.

Staff: Aldo Melchiori (786-7439)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5806 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Minority Report: Do not pass.

Signed by Senator Fairley.

Staff: Tim Yowell (786-7435)

Background: In 2005, the Legislature created a steering committee (Washington Learns) comprised of legislators, the Governor, and others, and three sector advisory committees on which legislators and others served. The steering and advisory committees were directed to conduct a comprehensive study of early learning, K-12, and higher education; to develop

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recommendations on how the state can best provide stable funding for early learning, public schools, and public colleges and universities; and to develop recommendations on specified policy issues. The steering committee submitted an interim and a final report with recommendations to the Legislature.

Summary of Bill: Statewide Tuition Policy: It is the goal of the state to increase funding at state colleges and universities to at least the 60th percentile of comparable institutions in the Global Challenge States within ten years. The Office of Financial Management (OFM) reports on the progress made toward the state goal. Decreasing student enrollment below 2007 budgeted levels is not allowed as a method of increasing per-student funding. A definition of the Global Challenge States is provided. At least once every five years, OFM must determine whether there should be changes to the list of states.

Tuition increases at each institution are limited to no more than 7 percent per year. On billing statements to students, each institution must report the full cost of instruction, the amount collected from student tuition and fees, and the difference between the amounts for the full cost of instruction and student tuition and fees.

Washington Learns Scholarship Program: The Washington Learns Scholarship program is established to cover the cost of tuition, fees, books and materials, minus the value of other state financial aid received, for up to five years for students from low-income families and students from families in which neither parent attained a baccalaureate degree. The students enter the program, when in seventh or eighth grade, by signing a pledge to graduate from high school with at least a "C" grade point average and have no felony convictions. If the student meets this criteria and if the student's family has an income at or below the state median family income in the year preceding college attendance, then the student may receive a scholarship. The Higher Education Coordinating Board (HECB) and Office of the Superintendent of Public Instruction (OSPI) administer the program.

GET Ready for Math and Science Scholarship Program: The GET Ready for Math and Science Scholarship program is established to cover the cost of tuition and fees for up to four years for students who achieve level four on the math or science Washington Assessment of Student Learning in 10th grade. Students must be eligible for resident tuition, enter a math or science related degree program in a Washington institution of higher education, and declare an intent to work in Washington for at least three years after graduation. The student's family income may not exceed 125 percent of median family income. Funds can be distributed as GET units or direct payments to institutions. Funds must be repaid if the graduates do not fulfill their pledge to work for three years in Washington.

A public-private partnership administers the scholarship. The program administrator is authorized to raise funds from the private sector. The OSPI and the HECB are the public partners and are given duties to implement the program.

Regional Opportunity Grant Program: The Regional Opportunity Grant program is established to cover up to 45 credits (and the cost of required books and materials) in a community and technical college workforce training program that prepares the student for a high demand occupation. The student's family income must be at or below the state median family income and the student must qualify for resident tuition and fees in a vocational

program of study. The State Board for Community and Technical Colleges (SBCTC) and the HECB are given duties to implement the program.

State Need Grant Program: The State Need Grant program is changed to permit students who take at least three credits, instead of at least six credits, to receive a need grant, if they are eligible based on their income.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Higher Education): The Children's Administration is given notice about the GET Math/Science program. The HECB is given authority to consider special circumstances before terminating scholarship eligibility.

EFFECT OF CHANGES MADE BY RECOMMENDED SECOND SUBSTITUTE AS PASSED COMMITTEE (Ways & Means): The four new financial aid programs are dropped from the bill. Revenue comparisons to colleges and universities in other states are to adjust for differences in regional cost of living; differences in program offerings and enrollment mix; and differences in accounting and reporting practices.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Higher Education): PRO: This bill sets a policy course for the state's higher education system. The goal is to provide opportunities for professional and personal development for our citizens. The Legislature retains tuition setting authority and that is important. The most important part of the bill is the funding roadmap. The aid package fills gaps in current student financial aid. The tuition increases should be used to enhance student services and experiences.

Persons Testifying (Higher Education): PRO: Senator Schoesler, prime sponsor; Deb Merle, Governor's Office; Patricia Chuntrill, J.W. Harrington, Council of Faculty Representatives; Terry Teale, Cindy Morana, Council of Presidents; Madeline Thompson, Workforce Training and Education Coordinating Board; Bill Grinstein, HECB; Nathaniel Hong, Washington Education Association; Phil Jack, American Federation of Teachers; Bryce McKibben, Washington Student Lobby; Randy Hodgins, University of Washington.

Staff Summary of Public Testimony (Ways & Means): PRO: Putting a cap on annual tuition increases is a reasonable and necessary thing to do. The Legislature would retain tuition-setting authority for resident undergraduates under this bill. The 7 percent is a cap—tuition wouldn't have to increase by that much. The "global challenge index" measures how equipped states are to compete effectively in high technology. Defining appropriate benchmarks for higher education funding has always been difficult and contentious. Setting the "global challenge states" as a benchmark is a simple and elegant solution. It is wise to employ funding benchmarks, and to consider tuition and state funding together, as a package. Interstate comparisons need to be approached carefully, though, because community and technical colleges have different missions in different states. The difference between a 5

percent annual tuition increase and a 7 percent annual tuition increase is only \$78 per year for a Western Washington University undergraduate, but the difference equates to a biennial difference of more than a million dollars for the university. The proposed opportunity grants are good for our economy by enabling more students to prepare for employment in high-demand fields.

OTHER: The duty to provide student contact information for the proposed GET Ready for Math and Science Scholarship program to the HECB and to the private non-profit program administrator poses significant challenges for OSPI as it will violate federal student privacy rules, and because student contact information is maintained locally by school districts, rather than centrally by OSPI.

Persons Testifying (Ways & Means): PRO: Senator Schoesler, prime sponsor; Debra Merle, Governor's Office; George Scarola, League of Education Voters; Madeleine Thompson, Workforce Training Board; Sherry Burkey, Western Washington University; Deborah Frazier, SBCTC.

OTHER: Brian Jeffries, OSPI .